



Internship Report on

“Cards Operations in Bangladesh, An overview of Eastern Bank Ltd.”

Submitted To

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Letter of Transmittal

Date: 28th November 2013

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BRAC University

Subject: Submission of internship report on “Cards Operations in Bangladesh, An overview of Eastern Bank Ltd.”

Dear Sir,

It's my pleasure to submit you the internship report on “Cards Operations in Bangladesh, An overview of Eastern Bank Ltd.” I have tried myself to explain all my learning and experiences I have gathered from my internship program briefly in this report.

The entire report is based on my practical experience in the bank. I have put my best effort in completing the report with all the information that I Have collected during my stay in Eastern Bank Ltd, Gulshan Cards Center.

I have a great hope that the report will meet your expectation and aid you in getting a clear idea about the topic. Please do call me for any clarification regarding the report, if required.

Yours Sincerely,

Md. Jahidur Rahim
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Declaration

I do hereby solemnly declare that the work presented in this Internship Report has been carried out by me and has not been previously submitted to any other University/College/Organization for an academic qualification/certificate/diploma or degree.

The work I have presented does not breach any existing copyright and no portion of this report is copied from any work done earlier for a degree or otherwise.

I further undertake to indemnify the Department against any loss or damage arising from breach of the foregoing obligations.

.....

Signature of the student

Md. Jahidur Rahim

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Department of MBA

.....

Date

PREFACE

Practical knowledge has no alternative. A perfect coordination between theory and practice is of paramount importance in the context of the modern business world. In order to resolve dichotomy between these two areas, the Department of MBA of BRAC University arranges “Internship Program” for the evening students. The completion of the internship program is necessary for every student for being eligible to be awarded the MBA degree. Internship program brings the students closer to the practical world of business organizations and thereby help them to substantiate their knowledge so that they may prepare themselves to success fully enter management career.

The internship program has given me immense opportunity to minimize the gap between theoretical and practical knowledge. It was a pleasure to me for preparing report on “**Cards Operations in Bangladesh, An overview of Eastern Bank Ltd.**” The extracted data of Cards Operations of Eastern Bank Ltd. helped me to a great extent in preparing this report, though I faced many difficulties as well.

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Acknowledgement

First and foremost gratefulness is to almighty Allah for giving me strength, courage and patience to prepare this report. Completion of anything requires supports from various sources and I am very much fortunate to get the sincere guidance and supervision from a number of persons. To this regard I would like to express my gratitude and thanks to my honourable faculty **Showvonick Datta**, Lecturer, Brac Business School, without the special guideline of whom, it would be impossible on my part to complete my internship report.

My heartfelt gratitude goes to Moyeen Uddin Serneabat, Manager, New accounts, EBL (Eastern Bank Limited) Cards Division for delivering lucid discussion from time to time and also giving valuable instructions and suggestions to complete this paper in an appropriate manner. I would like to express my indebtedness to Mr. Rajat Shuvra Saha, Assistant Vice President; Mr. Md. Antar Zaman, Senior Principal Officer, Mr. Md. Rajibul Ahsan, Senior Officer; Mr. Utsav Lahiri, Senior Principal Officer and Rezwanur Rahman, Principal Officer of EBL Cards Division who extended their wholehearted cooperation.

Last but not the least, I am thankful to my family and friends for their suggestion, assistance and help for doing this report.

Executive Summary

Risk is inherent in all aspects of a commercial operation; however for Banks and financial institutions, credit risk is an essential factor that needs to be managed. Credit risk, therefore, arises from the bank's dealings with or lending to corporate, individuals, and other banks or financial institutions.

Credit risk management is utmost important to Banks, and as such, policies and procedures should be endorsed and strictly enforced by the top level management and the board of any Bank. According to the guideline prescribed by Bangladesh Bank, EBL restructured its credit approval and monitoring procedures in the year 2002. This improved the risk management culture and established minimum standards for segregation of duties and responsibilities resulting better control on the overall loan approval and monitoring process.

The credit evaluation and the credit risk management policy of Eastern Bank Ltd. is the main concern of this report. Besides that some specific objectives of this report is to know about the credit risk principle of the Prime Bank Ltd., how the bank follow credit risk management policy, to find out the general credit principle of the bank, to know about the credit products, gain idea on credit facility of the bank, how the bank asses the credit risk, to compare the credit operation of bank with the literatures statements etc.

PART I: INTRODUCTION

1.1 Introduction of the report:

The company that I have taken to make an internship report is Eastern Bank Ltd (EBL) the new generation private commercial was established by a group of winning local entrepreneurs conceiving an idea of creating a model banking institution with different outlook to offer the valued customers, a comprehensive range of financial services and innovative products for sustainable mutual growth and prosperity. The Bank is being managed and operated by a group of highly educated and professional team with diversified experience in finance and banking. The Management of the bank constantly focuses on understanding and anticipating customer's needs. EBL provide clientele services in respect of International Trade it has established wide correspondent banking relationship with local and foreign banks covering major trade and financial centers at home abroad.

Credit is a method of selling goods or services without the buyer having cash in hand. A credit card is only an automatic way of offering credit to a consumer. Today, every credit card carries an identifying number that speeds shopping transactions. Imagine what a credit purchase would be like without it, the sales person would have to record your identity, billing address, and terms of repayment.

I am an employee of Eastern Bank Ltd. I have been working at cards operation department for the last one and half years. So that's why I have selected my internship report on cards operation. Eastern Bank Ltd has been operating their cards activities by various departments like Settlement, New Accounts, Maintenance, Transaction processing, Dispute etc. In the main part of this report I will disclose how different wings operating their activities.

1.2 Origin of the Report:

The internship report is a basic course requirement of the MBA Program of Brac University. This program has been designed for the students to provide basic theoretical and practical knowledge in the job activities in the context of Bangladesh as well as worldwide.

This report has been prepared on practical orientation. As such, I have worked on my interested business sector and my **intern paper focuses on “Cards Operations in Bangladesh, An overview of Eastern Bank Ltd.”**

1.3 Objective of the Report:

The main objective of the internship program is to formalize me with the real market situation and help me learn how bookish concepts are used in the real market.

Broad Objective

- To know the card business of Eastern Bank Limited.

Specific Objective

- To draw an overall view of the credit card market in Bangladesh and then identify the prospects of EBL in Cards Business.
- To find out how EBL is operating their operational activities in cards industry.
- To Identify and focuses the problems of Card Management System of Eastern Bank Limited.
- To develop knowledge and a clear understanding about Card Business of Eastern Bank Limited.

1.4 Scope of the Report:

The report limits its scope to Eastern Bank Cards Division only and some other operational activities of cards sector of other bank in Bangladesh.

1.5 Methodology of the study:

This report is mainly based on primary data. As an employee of Eastern Bank Ltd I have observed most of the procedures how our Bank is operating their activities in cards market. Besides I have observed how cards business is operating in our country. So, to achieve my objective I have used both primary and secondary data.

1.5.1 Primary Source:

I have collected Primary data from different wings of Cards operations in EBL like Settlement, New Accounts, Maintenance, Transaction processing department. As an employee of EBL, I have already gathered information from these departments.

1.5.2 Secondary source:

The secondary data is collected from the MIS of EBL. To clarify different conceptual matters Internet, different articles published in the journals & magazines are used in this report. Basically secondary sources will be used to clarify the overall cards business in Bangladesh.

1.6 Limitations of the report:

Although I have got the full co-operation from employees, clients & officers of EBL and they also gave me much time to prepare this report properly in the way of my study, I have faced some difficulties, which made my conduction of the program little hazardous as for example some restrictions in Bank policy does not allow disclosing some data and information. Information at the bank is confidential & critical. For this reason I have not shown any figure regarding the issuance of cards. Besides this, time is another constraint of this report. By conducting this report I have found that there are a number of credit cardholders who do not give the money to the bank after finishing the card limit. In this case, the banks have to fall in troubles. There are some people who try to take illegal advantage over credit cards. These are the limitations of the study. It is expected that credit cards will be used in a fair way in our country and credit cardholders having ill motive should be prosecuted to check the malpractice.

PART II: BACKGROUND OF THE STUDY

2.1 Background of Eastern Bank Ltd.

The bank has scheduled commercial Bank under private sector established within the ambit of Bank Company Act, 1991 and was incorporated as a Public Limited Company on August 08, 1992. Eastern Bank Limited started commercial banking operations from August 19, 1992. A huge public response has enabled the Bank to keep up the plan of expanding its network. Within a span of eighteen years the bank has been able to deliver services to its customers through forty-nine branches. In terms of profitability the bank has outperformed its peer banks.

As a fully licensed commercial bank, Eastern Bank Ltd. is being managed by a highly professional and dedicated team with long experience in banking. They constantly focus on understanding and anticipating customer needs. As the banking scenario undergoes changes so is the bank and it repositions itself in the changed market condition.

Eastern Bank Ltd. offers all kinds of Commercial Corporate and Personal Banking services covering all segments of society within the framework of Banking Company Act and rules and regulations laid down by our central bank. Diversification of products and services include Corporate Banking, Retail Banking and Consumer Banking right from industry to agriculture, and real state to software.

Eastern Bank Ltd., since its beginning has attached more importance in technology integration. In order to retain competitive edge, investment in technology is always a top agenda and under constant focus. Keeping the network within a reasonable limit, our strategy is to serve the customers through capacity building across multi delivery channels. Our past performance gives an indication of our strength. We are better placed and poised to take our customers through fast changing times and enable them compete more effectively in the market they operate. The bank has consistently turned over good returns on Assets and Capital. During the year 2010, the bank has posted an operating profit of Tk. 4'410 million and its capital funds stood at Tk 11287 million. Out of this, Tk. 2921 million consists of paid up capital by shareholders and Tk. 1,554.76 million represents reserves and retained earnings.

2.2 Vision & Mission

Vision

To become the most valuable brand in the financial services in Bangladesh creating long-lasting value for our stakeholders and above all for the community we operate in by transforming the way we do business and by delivering sustainable growth.

Mission

We will deliver service excellence to all our customers, both internal and external.

We will ensure to maximize shareholders' value.

We will constantly challenge our systems, procedures and training to maintain a cohesive and professional team in order to achieve service excellence.

We will create an enabling environment and embrace a team based culture where people will excel.

PART III: CARDS OPERATIONS

3.1 History of Cards Business

The use of Plastic Money originated in the United States during the 1920s, when individual companies, such as hotel chains and oil companies, began issuing them to customers for purchases made at those businesses. This use increased significantly after World war II. In 1951, Diners Club issued the first Charge Card to 200 customers who could use it at 27 restaurants in New York. Another major Charge Card was established in 1958 as the American Express Card by the American Express company.

The first Credit Card “BankAmericard” was issued by Bank of America in late 1958 in California, USA. This System was licensed in other states starting in 1966, and was renamed as VISA in 1976. At the same time, three different groups of banks that were not franchisees of Bank of America began activities that would later merge to become today’s MasterCard International.

In 1978 the MasterCard International and VISA International organizations agreed to a concept of duality, in other words, banks could honor and issue both Credit Cards.

3.2 Cards Operations in Bangladesh:

Today carrying cash money is riskier as well as carrying more money is a boring practice. To avoid this many tools is used like payment order, demand draft and bank draft. But these have many limitations. To overcome these limitations credit & debit card has introduced. In this paper we will discuss the credit card operations in Bangladesh.

The Bangladesh credit card industry is gradually evolving, with most banks in the nation offering credit card services to eligible customers. Credit cards are the primary mode of transactions is different in case of different banks. The features of credit card and its facilities also vary bank to bank.

Bangladesh Credit Card: Major Issuers:

- ❖ **AB Bank**
- ❖ **Agrani Bank**
- ❖ **Eastern Bank Limited**
- ❖ **Brac Bank**
- ❖ **Standard Chartered Bank**
- ❖ **United Commercial Bank Limited**
- ❖ **Bank Asia Limited**
- ❖ **Dutch-Bangla Bank Limited**
- ❖ **National Bank Limited**
- ❖ **Mutual trust Bank Limited**
- ❖ **Prime Bank Limited**

Today's market is a competitive one. All banks are trying to sustain in the market for a long time by offering competitive advantages to the customers. From my point of view as an employee of EBL our main competitors are mainly Standard Chartered Bank, Brac, City Bank. They also are doing their level best in the competitive market.

3.3 EBL Cards Business

Debit Card was introduced by EBL in Bangladesh on 16th May, 2004. Due to convenience of Debit Card concept, it received good response in the market. EBL with its strong IT infrastructure has shown the path of success in Debit Card business. Accordingly, EBL has identified the student segment of the society as target market. EBL is the first to introduce first ever Global VISA branded Student Card in the name of COOL Card.

Credit Card business in Bangladesh is now been more popular as an alternative of carrying cash. At present there are 22 financial institutions doing Credit Card business in the market. Few of them are dealing both issuing and acquiring business i.e. Standard Chartered Bank, National Bank, Prime Bank, Brac Bank, The City Bank, and AB bank and rest of them is doing issuing business only. To create a revolution in the Card market, EBL has come with its Credit Card which is full of different features and facilities. There is huge business potentiality and customer's demand of EBL Credit

Cards operations in Bangladesh” An overview of Eastern Bank Ltd”

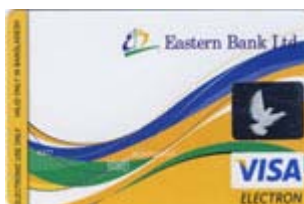
Card in the market. EBL believes that day by day EBL Credit Card will become the preferred choice to the consumer for its quality, price and facilities.

3.4 Types of EBL Cards

There are two types of card available in banking system.

- They are
1. Debit Card
 2. Credit Card

Debit Card



Card

- Debit Standard
- Global Debit Card
- Lifestyle Card
- Hajj Card
- Travel Card.
- GP Express Card
- GP IT Card
- Smart Remit Card
- Cool Card
- EBL VISA Payroll Card
- EBL Cricket Card



Credit Card

EBL Credit Cards

- Visa Infinite Card
- Visa Signature Card
- Visa Corporate Platinum Card
- Visa Platinum Card
- Visa Gold Dual Card
- Visa Gold Local Card
- Visa Classic Dual Card
- Visa Classic Local Card



3.5 Cards Operations of EBL:

Different Departments or wings are involved in the operations of card in EBL.

- Settlement
- New Accounts
- Maintenance
- Transaction processing
- Customer Service

New Accounts:

New accounts wing is related with the following tasks:

New Accounts Job Descriptions are as follows:

SI	Job Description	Timeframe
	Credit Card Related Works:	
1	Approved CC file receiving from sales	Daily
2	CFC conditions Checking of the received files	Daily
3	Data key-in of the Credit Card Files	Daily
4	Preparing Credit Card Photo & Signature	Daily
5	Credit Limit & Product Type Check and Confirmation upon data key in	Daily
6	Create embossing File for new Credit Cards	Daily
7	Preparing and sending work order for plastic production	Daily
8	Preparing hard file of all done file for archiving permanently	Daily
9	Signature Verification for Supplementary Credit Card	Daily
10	Credit Card Hard Renewal	Daily
11	Credit Card Replacement	Daily
12	Credit Card Product type change	Daily
13	Credit Card PIN Replacement	Daily
14	Credit Card Soft Renewal	Monthly

Cards operations in Bangladesh” An overview of Eastern Bank Ltd”

	Card Cheque Related Works:	
1	Preparing MIS for Card Cheque requisition	Daily
2	Sending Card Cheque requisition mail and forwarding letter to service delivery	Daily
	Debit Card Related Works:	
1	Preparing Debit Card Daily MIS	Daily
2	Debit Card Fund Realization daily basis	Daily
3	Updating MIS with Debit Card Fund Realization	Daily
4	Segregating all fees done and undone file for data key in	Daily
5	Data key in for the Debit Card Applications	Daily
6	Create Embossing Files for new Debit Cards	Daily
7	Preparing and sending work order for plastic production	Daily
8	Debit Card Hard Renewal daily basis	Daily
9	Debit Card Soft Renewal	Monthly
	Pre-paid card:	
1	Data key-in for Prepaid Cards	Daily
2	Checking necessary fields like name, category and conditions for Prepaid Cards	Daily
3	Prepare and send work order for plastic production	Daily
	SMS Alert Related Works:	
1	Uploading, Editing and Deleting Mobile Numbers for SMS Alert service	Daily

Category wise Required Documents for Credit Card Application

Pre-checking before application processing (Credit card):

- Approve and Decline Application comes from CFC
- Sales keep track of all approve and decline file.
- Sales call all approve customer for limit checking
- Then they forward those application forms to New Accounts Data Key In
- New Accounts Check the Following papers and documents before Key in System
 - a. Approval sheet
 - b. Tin certificate
 - c. Id documents (National ID)
 - d. Passport copy for dual card
 - e. Customers expected limit and approved Limit
 - f. Customers expected product and approved product
- Once everything check out done, all input able application then placed for data key in.
- In Case any mandatory Document is missing in the application or the CFC Condition is not fulfilled, the Application Form is then sent back to Sales.
- New Accounts Updates the ‘Credit Card Application MIS’ for the received applications for Receive application Tracking and Card Query

<u>Customer Segment</u>	<u>Doc's Required</u>
Salaried (A/C Payee)	<ul style="list-style-type: none"> a. Salary Certificate/Pay Slip b. 3 Months Bank A/C Statement c. Passport Copy/Photo ID/ National ID d. Personal TIN/IT-88 e. Photograph
Salaried (Cash Payee)	<ul style="list-style-type: none"> a. Salary Certificate/Pay Slip b. 6 Months Bank A/C Statement. c. Passport Copy/Photo ID/ National ID d. Personal TIN/IT-88 e. Photograph
Self Employed Proprietorship	<ul style="list-style-type: none"> a. 6 Months' Bank A/C Statement b. (Personal/Business) c. Trade License d. Passport Copy/Photo ID/ National ID e. Personal TIN/ IT-88 f. Photograph
Self Employed Partnership	<ul style="list-style-type: none"> a. 6 Months Bank Statement b. (Personal/Business) c. Trade License d. Partnership Deed e. Personal TIN / IT-88 f. Photo ID/Passport Copy/National ID g. Photograph
Self Employed - Limited Company	<ul style="list-style-type: none"> a. 6 Months Bank Statement b. (Personal/Business) c. Memorandum of Association d. Personal TIN/ IT-88 e. Photo ID/Passport Copy/National ID f. Photograph

Maintenance

Maintenance wing of Cards Operation is solely responsible for maintaining Cards Accounts for both Credit card and Debit card and modification or update of customer's static or variable information including financial information. It receives the customer instruction through Card Customer Service wing with a proper MIS, limit related update from CFC or account related update from Collection unit.

Cards operations in Bangladesh” An overview of Eastern Bank Ltd”

Major Responsibilities:

Credit Card	
Address change	Collection Issue
Phone Number change	Closure (LIEN & General)
SMS Alert Add or Cancel (card system)	Reversal & CMS adjustment
SI enrollment and de-enrollment	Supply card limit update
Travel Quota Endorsement	CMS payment updated
Limit Enhancement, DL conversion and SMS sending of enhanced limit	Calendar limit upgrade/downgrade for card cheque
Limit Conversion	HR Issue
RAP enrollment and de-enrollment	

Debit Card	
Address change	Account tag/untag
Phone Number change	DC closure
DC Replacement (CARD/PIN) issue (photo update)	

Travel Card	
TC Endorsement	TC closure & refund

Life Style Card	
Reactivation (after receiving KYC)	LS card closure

Some activities of Maintenance units are mentioned clearly:

Dollar Endorsement

Regulatory Instruction:

Among all the foreign currencies only US Dollar can endorse in the passport of a Bangladeshi citizen for the usage through the credit card though the card can be used in any currencies permitted by VISA.

The passport copy of the individual must contain the Endorsement details and its mode. The dollar endorsement for using through EBL Credit Card is permitted against RFCD account, Travel Quota, Export Retention Quota and Official Quota. Whatsoever, the mode must clearly mention in the endorsement field of the passport.

According to the Foreign Exchange Regulation Act, 1947 any Bangladeshi citizen can be entitled to expend not more than USD 2000.00 for the usage in SAARC countries and USD 5000.00 for the usage in Non-SAARC countries under travel quota in a calendar year.

Travel Card limit loading

Card holder may endorse his/her USD limit from any of our branches. Branch will endorse his limit in favor of card center.

Closure (Lien & General)

If any card holder is not interested to avail our card he/she may close the card with a proper instruction. After receiving the instruction, maintenance team will check the account to confirm whether the card holder has any outstanding or not. If the card holder has no outstanding, the card will be closed by the team.

Transaction Processing & Settlement Unit:

Transaction processing and settlement units are interrelated. The both wings are related mainly in file generating and payment related problems.

Types of Transactions:

There are two types of business in Cards

1. Issuing business: issuing business is the business where an organization Issues Plastic Cards for business.
2. Acquiring business: Acquiring business is the business where an organization Sets up ATMs and enables own bank and as well as other bank Plastic Cards.

There are mainly **10 types of transactions** in respect to issuing and acquiring aspect. Namely;

1. On Us – ATM
2. On Us – POS
3. Off Us – ATM – Issuing
4. Off Us – ATM – Acquiring
5. Off Us – POS – Issuing
6. Off Us – POS – Acquiring
7. Remote On Us – ATM – Issuing
8. Remote On Us – ATM – Acquiring
9. Remote On Us – POS – Issuing
10. Remote On Us – POS – Acquiring

Different type of Transactions Example

	Transactions	ATM	Card
1	On Us	EBL	EBL Card
2	Off Us – Issuing	VISA ATM	EBL Card
3	Off Us – Acquiring	EBL	Other Bank
4	Remote On Us	Q Cash, Other Bank ATM/POS	EBL Card

EBL Structure:

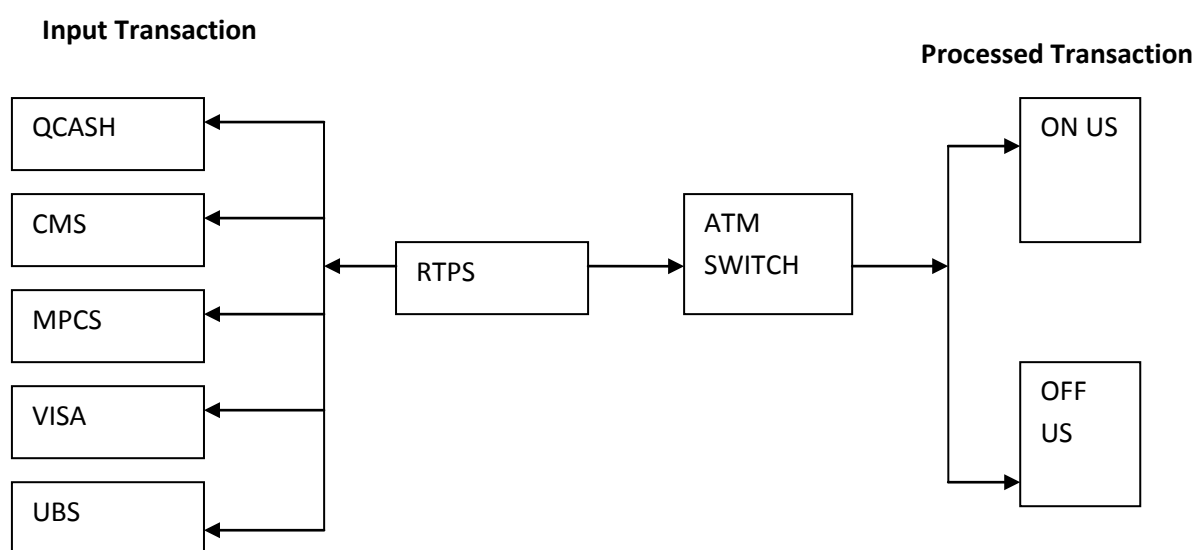
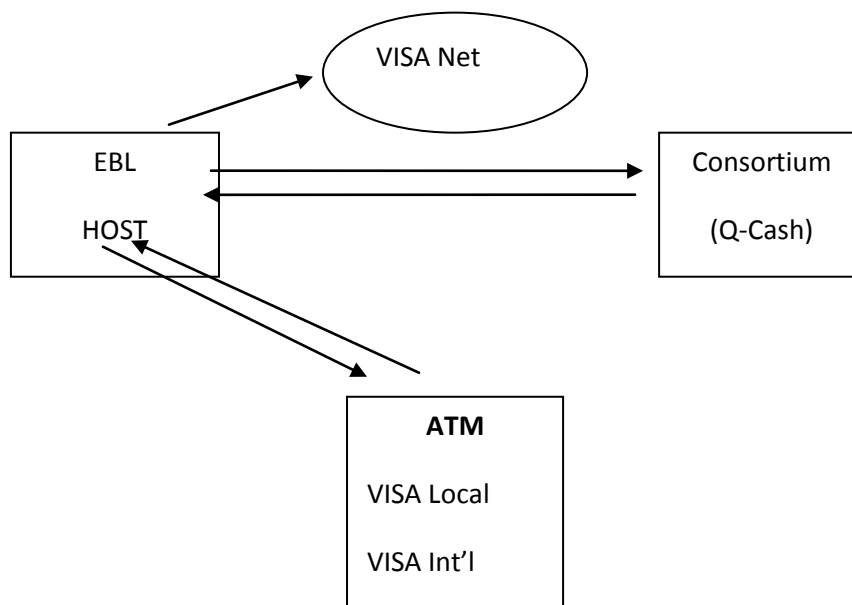


Fig: Data Flow Process through RTPS

Transaction Processing

Transaction processing team updates and monitors all payments related issues; also ensure statement generation and standing instruction execution issues on time.

SL No	Task	Description
1	Update Processing Date	Processing date change in Card Management System (CMS)
2	Payment Process	Generating P files (for Credit card, LifeStyle Card, Travel Card) and process them in CMS.
3	Exception Payment	Checking all previous day credit card payments which are not updated in CMS for different reason. Also update them in card system.
4	W-file/L-file/E-file upload in CMS	We upload W-file/L-file/E-file in CMS.
5	Card Cheque Authorization	We provide authorization for each and every Card Cheque Transaction through RTPS and process them in EBL Credit Cards System
6	Card Cheque Upload	We make a batch of all card Cheque cleared on a present day and process them in RTPS.
7	Credit Card outstanding Reporting	We prepare this report on Weekly Basis
8	WSF Reporting	We prepare this report on Weekly Basis
9	Billing cycle running	We run billing cycle for credit card every month
10	RAP Charge	We have to charge Risk Assurance Fee every month in CMS.
11	Running SI	We run standing instruction for credit card on Due date.
12	AIF Reporting	We prepare this report on monthly Basis
13	RAP Reporting To ALICO	We prepare this report on monthly Basis

Credit Card Application Flow Chart

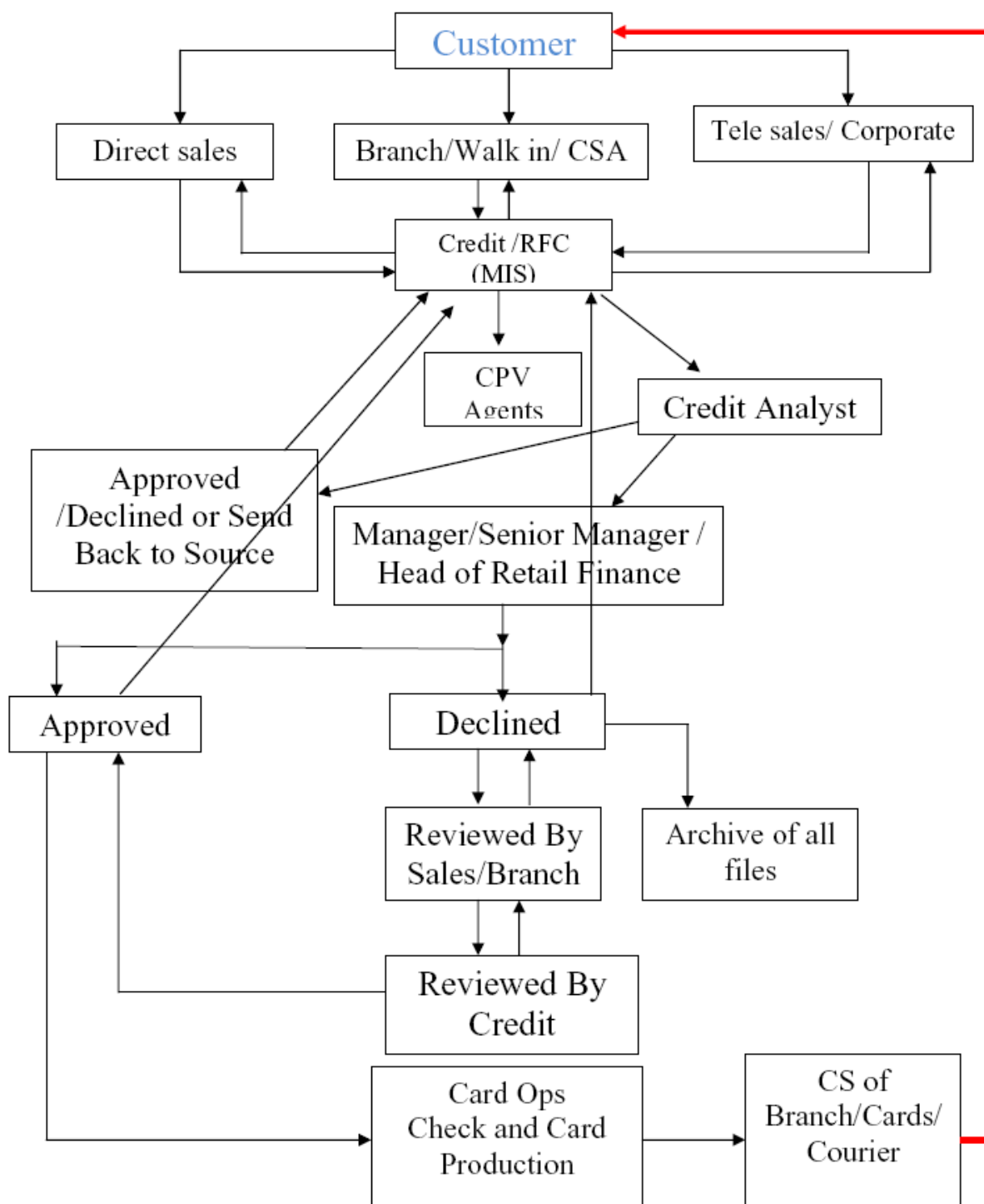


Figure 1: Credit Card application flow chart

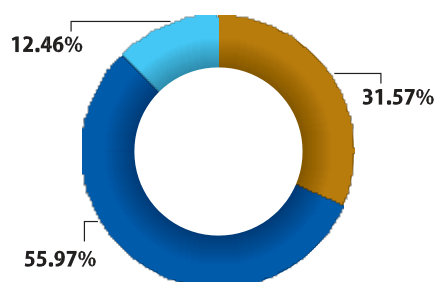
PART IV: Progression

4.1 FIVE-YEAR PROGRESSION OF EBL:

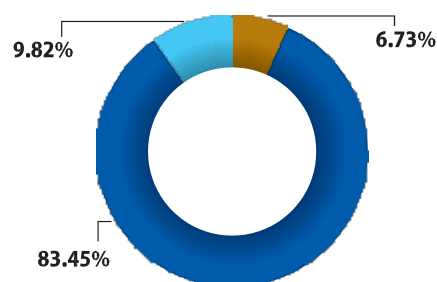
BALANCE SHEET METRIC					
PARTICULARS	2012	2011	2010	2009	2008
Authorised capital	12,000	12,000	12,000	3,300	3,300
Paid up capital	6,112	4,527	2,921	2,496	1,387
Shareholders' equity	17,109	14,407	12,084	8,429	4,733
Deposits	91,781	75,536	56,425	49,190	41,573
Borrowings	31,158	21,652	9,257	8,835	4,948
Loans and advances	96,720	81,774	58,607	47,668	39,662
Credit to deposit ratio (Gross)	105.40%	108.30%	103.90%	96.91%	95.40%
Credit to deposit ratio - Gross (excluding OBU loans)	95.36%	99.86%	95.09%	93.78%	94.84%
Investments	21,655	16,910	9,827	8,806	5,325
Fixed Assets	5,768	4,453	3,614	1,804	1,246
Interest bearing assets	119,334	104,572	71,759	62,125	46,831
Total assets	147,148	117,601	82,098	69,871	54,598

EFFICIENCY/PRODUCTIVITY RATIOS					
PARTICULARS	2012	2011	2010	2009	2008
Return on average equity (ROE)	14.44%	19.03%	23.64%	22.10%	18.64%
Return on average assets (ROA) (PAT/average assets)	1.72%	2.52%	3.19%	2.34%	1.68%
Cost to income ratio (Operating expense/Total Revenue)	36.89%	34.44%	32.10%	35.62%	35.60%
Yield on advance (average)	15.01%	13.40%	12.75%	13.69%	13.90%
Cost of deposits (average)	9.26%	8.40%	6.74%	8.55%	8.66%
Net interest margin ratio (NII/Average interest bearing assets)	4.30%	3.76%	4.44%	4.25%	3.80%
Statutory liquidity reserve ratio	22.93%	24.98%	19.93%	23.17%	19.80%
Cash reserve ratio (daily basis)	5.98%	6.00%	5.84%	5.51%	5.51%
Operating profit per employee	4.16	4.21	4.53	3.39	3.13
Operating profit per branch	83.30	86.57	89.99	76.41	70.16

Shareholding Position: 2012 (%)



Shareholding Position: 2011 (%)



PART V: SWOT Analysis of EBL

5.1 Strengths:

- First online banking operations across all the branches.
- Authorized share capital increased to BDT 3.3 billion.
- EBL listed with Dhaka and Chittagong stock exchange Ltd.
- Became partner bank of IFC under Global Trade Finance Program (GTFP) to support EBL handle complex trade transactions.
- Launching of SME Banking Division.
- Signed agreement with ADB to become ADB's partner bank under their Trade Finance Facilitation Program (TFFP) support guarantee and revolving credit facility.
- Launched Own managed Cards Software and Production System.
- Awarded 'Super brand' by super brands Inc. for the period 2009-2011

5.2 Weaknesses:

- Lack of Bank Branches and ATM Booths.
- Lack of Capital.
- Lower growth rate.

5.3 Opportunities:

- Emerging economies.
- The credit Card Sector

5.4 Threats:

- Rival Banks are growing faster
- The existing software is not that much capable to catch the run according to its position

PART VI: Implications to Organization

6.1 Values of EBL:

- Openness
- Trust
- Commitment
- Integrity
- Service excellence
- Responsible Corporate Citizen

6.2 Strategic Planning of EBL:

- Further improvement of asset quality
- Further change in deposit mix to increase pie of low cost deposits
- To become cost efficient organization
- Moderate growth in conventional products
- Careful presentation in the capital market
- Increased and focused Corporate Social Responsibility (CSR)
- Increase shareholders' value

- Create world class IT infrastructure to deliver superior service to our customers.

Eastern Bank Limited is a bank with centralized executing procedures. They are following this procedure from the very beginning of this bank. As per the banking policy the centralized execution of financial transactions is much easier and easy to keep the record also for the bank.

We list a few of the benefits of centralization here –

At a glance	-	Benefits from Changes
Standalone systems	= >	Centralized system
Branch Banking	= >	Anywhere Banking
Telegraphic Transfers	= >	Online Inter-branch transfer
Produce MIS at Branch	= >	Centralized MIS
Audit needs branch visit	= >	MIS available at Head Office.
On Card Signature/Pix	= >	Digital Signature/Pix

PART VII: A Project on EBL cards market status analysis

To find out the EBL current market status I had to go through a qualitative market analysis by asking questions to the stake holders of the EBL cards. By asking different dimensional questions and reviewing those I got an idea about the current status of EBL cards other than the market competitors. I asked different segments of peoples to get my answers.

Segments of targeted people:

- Common customers
- Priority customers
- Executive employee
- Manager employee

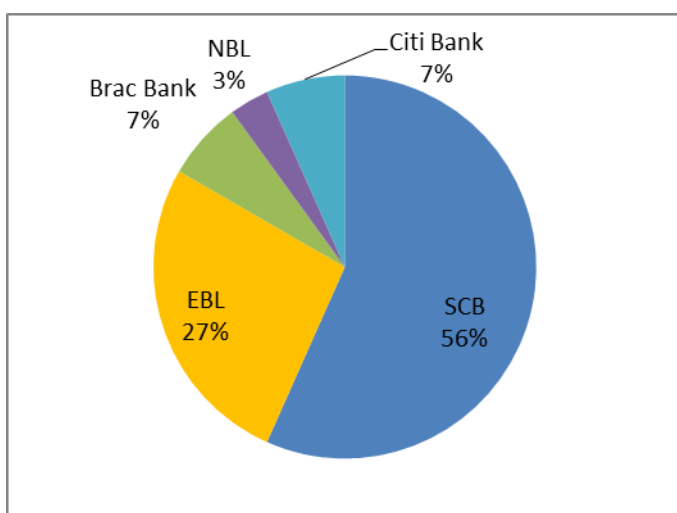
Questions for the Questionnaires:

1. Which bank's name comes first when you think about Debit, Credit & Prepaid cards?
2. Have you heard about EBL cards?
3. Do you use any ATM cards?
4. If yes then which bank's card?
5. Are you satisfied with your cards service and features?
6. Which service and features attracts you more?
7. Which service is worst to you?
8. Which service you want from your cards?
9. Have you any Suggestion specifically at one point of development?
10. What do you think that which bank's card is best in the market?

Analysis of Questionnaires:

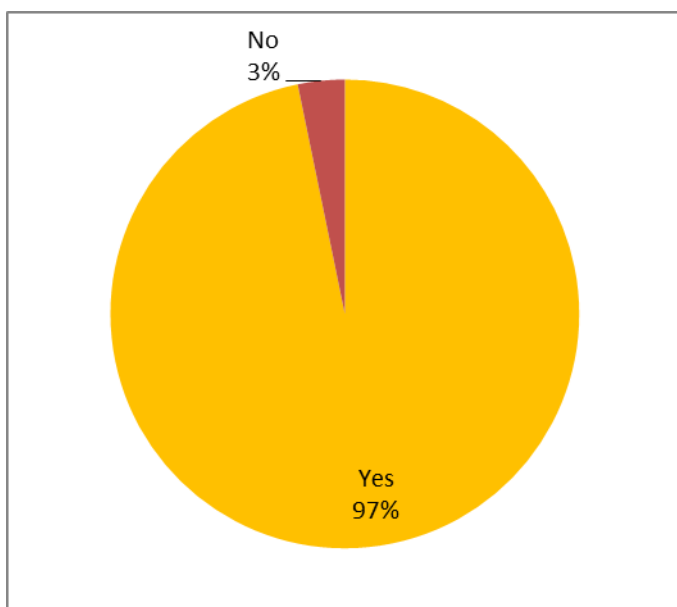
1. Which bank’s name comes first when you think about Debit, Credit & Prepaid cards?

- I. SCB
- II. EBL
- III. Brac Bank
- IV. NBL
- V. Citi Bank



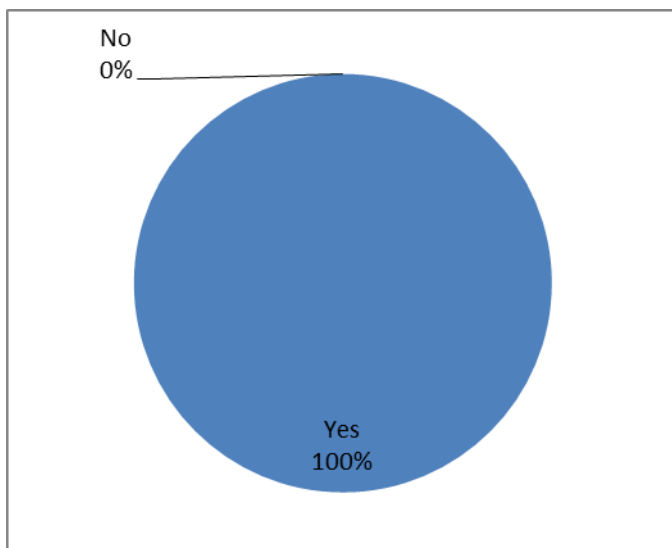
2. Have you heard about EBL cards?

- I. Yes
- II. No



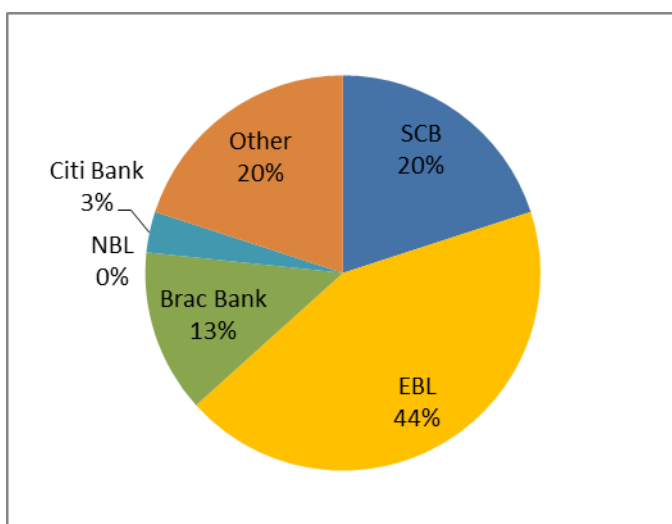
3. Do you use any ATM cards?

- I. Yes
- II. No



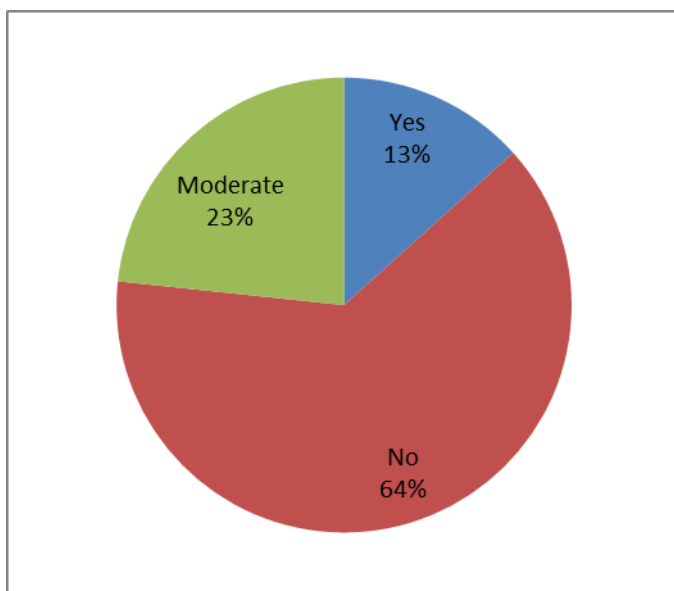
4. If yes then which bank's credit card?

- I. SCB
- II. EBL
- III. Brac bank
- IV. NBL
- V. Citi Bank
- VI. Other



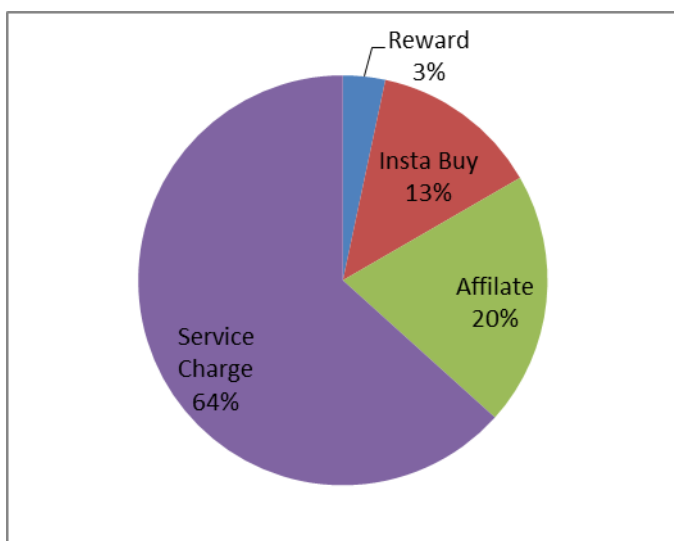
5. Are you satisfied with your cards services and features?

- I. Yes
- II. No
- III. Moderate



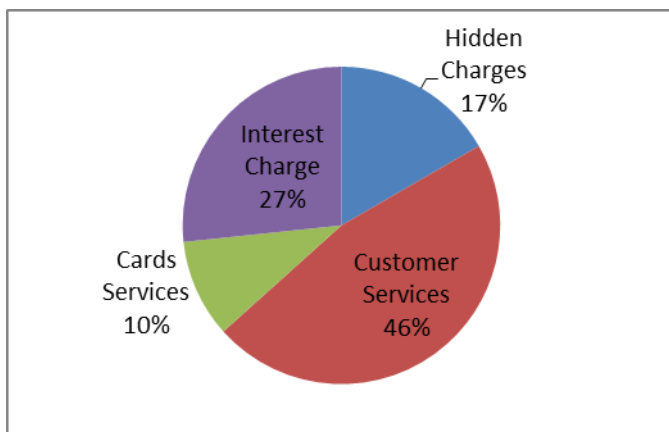
6. Which service and features attracts you more?

- I. Reward, Loyalty point
- II. Insta buy
- III. Affiliate partner benefits
- IV. Services charges



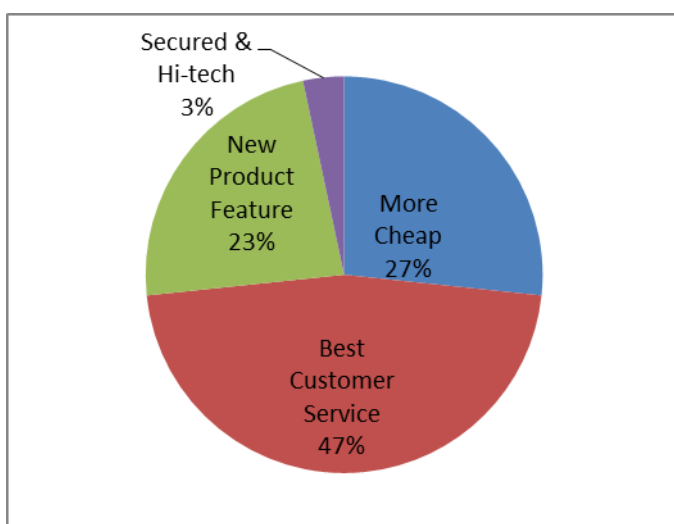
7. Which service is worst to you?

- I. Hidden Charges
- II. Customer services
- III. Cards functional & technical services
- IV. Interest charges



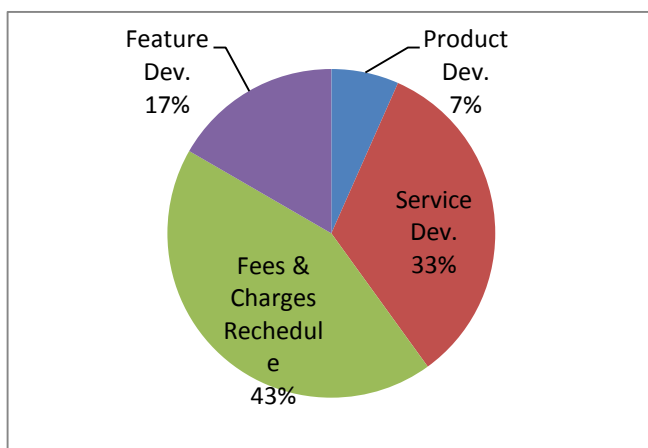
8. Which one you want from your cards?

- I. More cheap
- II. Best customer service
- III. New product feature
- IV. More secured and hi-tech
- V. Others



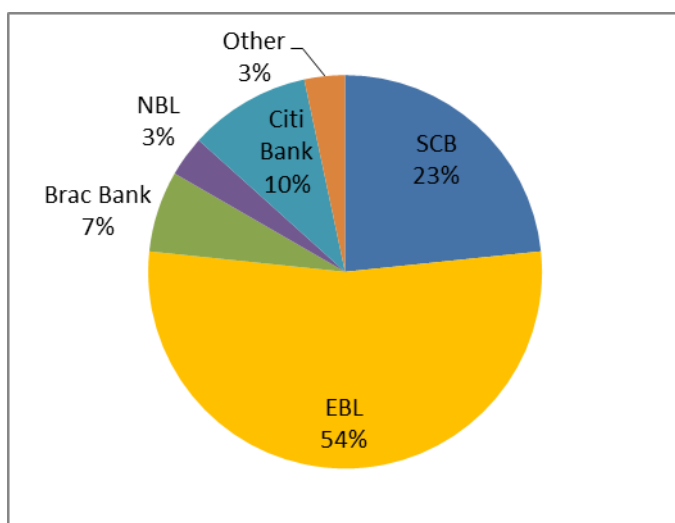
9. Have you any Suggestion specifically at one point of development?

- I. Product development
- II. Service development
- III. Fees & charges reschedule
- IV. Feature development
- V. Other.....



10. What do you think that which bank's card is best in the market?

- I. SCB
- II. EBL
- III. Brac Bank
- IV. NBL
- V. Citi Bank
- VI. Other.....



PART VIII: Implication to University’s Internship Program

From the angle of the strategic management course the Eastern Bank Limited is having competitive advantages over other banks in the card industry as well as bank industry also. We know that there are four building blocks of competitive advantages. They are as follows:

1. Efficiency
2. Quality
3. Innovation (Research & Development)
4. Customer Responsiveness

In these 4 factors EBL is quite ahead in respect with other banks what gave it the competitive advantages.

PART IX: Findings

In the competitive market it is always challenging for a bank to sustain in a good position. EBL is trying to maximize its volume in card issues. In the last year it was the second highest issuers of cards in the card market. In preparing this report there are some things that I have got from my theoretical and analytical observation of the card center of EBL. Some official restrictions I am not disclosing any type of figure or profit by card Division of EBL. Some findings are discussed below:

- Teamwork- from the smallest unit to the enterprise as a whole.
- Frequent fluctuations of domestic currency worth against US dollar.
- Ebl still operates some of its operation manually, but trying to digitalize all.
- EBL (Card center) follows the rules & procedures that are established by Bangladesh Bank.
- To attract customers, EBL always observes the market and always tries to realize what the market demands. For that it can fulfill the valued clients' desires.
- It also maintains some advantages and privileges to various outlets for the clients. By giving this facility to their clients it is also making a good profit.
- As other banks are giving the rewards point to the customer, EBL should also maintain this.
- EBL give their valued clients some special facilities in credit like insurance facility 1 lac to 1 crore
- Recently EBL is the first Bank in the card market of Bangladesh to introduce the sky miles feature with the credit card.
- Customer services are not as good as a strong market challenger.
- Cards security level is not as current advanced slandered level.
- Poor customer attraction tools are using to attract the customer.

PART X: Recommendation

Eastern Bank Limited has been successful in all of its operation since its inception. It has outperformed all its peer and competitor and peer banks in virtually all area of its activities. Still there is scope for improvement for the bank and the any or all of the following could be which Eastern Bank Limited can implement to better its performance:

The specific and broad recommendations of the study are as follows:

- Train employees to provide better service to the card holders and form a strong sales force to sale its credit card
- The card delivery time should not be more than a week. But it should not be less than 5 days. Because the possibility of incorrect assessment of the creditworthiness of the applicants would be very high then. (recommendation based on face to face conversation with the card holders while surveying)
- ATM facility is an advantage for the bank to provide ATM facility to its cardholders. EBL should increase the number of its ATM booths
- The bonus point system can be followed. Waiver on interest charges and/or renewal charges will strike into minds of the cardholders and they will be more satisfied and encouraged to do more and more card transaction.
- Customers should be offered occasional gifts and discounts, which can make the credit card more attractive and keep the consumer delighted.
- Regular customer survey could also be conducted with an aim to find out the customer's expectations or to know about their satisfaction on bank's performance.
- The bank should employ an outside company for recovery of its dues because it takes a huge of time for the bank's employees to recover stuck up credit card loan.
- EBL should increase the customer services quality
- More Security level needs to be increased for customer reliability
- More affiliate programs must be added in the partner pool
- Finally, heavy marketing and promotional campaign should be conducted to popularize the product and make people aware of the service.

PART XI: Conclusion

From the analysis and findings of the study, it is obvious that there is a lot of market potential for EBL in the Credit Card Business and some areas of improvement are there also comparing to the existing issuers in the market. It is expected that Bangladesh will experience a heavy inflow of foreign companies investing in various sectors especially in IT and Gas and Oil Exploration and processing. This will give birth to various ancillary industries and services, which will ultimately increase the purchasing power of people. This factor enhances the chance of an upcoming growing population of the community who wants convenience of not carrying cash and the use credit card is the easiest way of doing so.

Being a passive leader, i understand the drawback of not involving actively in the organization. But as a customer, i observed the trends and culture from its prevailing environment. We put lot of effort to find out, why and how they brought the changes in the system and what are the impacts of the changes on society and on the organization. Being a leader, we evaluated these changes and drawn a conclusion of its advantages and disadvantages.

Leader always back up the changes for its positive effect and keep him focused and involved in the core values of the changes. He is solely responsible for his own behavior and actions. Detailed approach has been taken to each and every point of this proposal and studied the concept in depth.

We found that private sectors are not that much efficient in comparison with the public sector. Still they have to go a long way to improve their capabilities.

They also need to put into practice the training requirements for the existing and new employees to make the system more efficient and increase the knowledge to use the new technology changing with time.

They should also need to create a culture of sharing knowledge among the other colleagues so that they would be able to build trustworthy and strong team. Therefore, the private sector banks must emphasize on change management.

This whole proposal state that EBL has emerged as a bright leader who has rectified its weakness and worked on its strength and reduced its threat and grab the opportunities.

Its capabilities, capacity and diversity are the focus of this whole change which was not only about the top managers but also about the junior employees who showed the enthusiasm towards this structural and cultural change. The company, not only, empowered the top level but also the lower level employees to bring this effective change.

We also put our efforts to see its culture web which include stories like celebrating its success, spreading the good news about people and what they are doing, thanking and rewarding people and the mistakes they have made and learn from them. The paradigm of this organization show us valuing diversity, learning culture, strong work ethics, loyalty commitment and outward looking / forward thinking/ innovative.

Eastern Bank Limited is one of the most renowned private banks in the country. The credit management of Eastern Bank Ltd is quite well as well as their customer service. Eastern Bank Ltd is one of the pioneers in many criteria. EBL is committed towards the excellence in the service with efficiency, accuracy and proficiency. I wish total success of Eastern Bank Limited, and Special thanks to all the Employees of Cards Center, Dhaka.

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5. Training Materials of EBL.
5. Credit cards operations guide of Bangladesh Bank.
6. Prospectus of Eastern Bank Limited

Web Site:

http://www.ebl.com.bd/home/EBL_Cards

<http://www.ebl.com.bd/visasignature/>

http://www.ebl.com.bd/home/EBL_VISA_Platinum_Card

APPENDICES

Acronyms

TIN	Tax Identification Number
PO	Pay Order
SWIFT	Society for Worldwide Inter Bank Financial Transfer
FC	Foreign Currency
BB	Bangladesh Bank
ATM	Automated Teller Machine
POS	Point of Sales
SME	Small and Medium Enterprise
CNB	Consumer Banking
Man Com	Management Committee
BCCI	Bank of Credit and Commerce International Limited
TFFP	Trade Finance Facilitation Program
UBS	Universal Banking System
CMS	Customer Management Service
ROI	Return on investment
CPV	Contact Point Verification.
VISA	Visa International Services Association
PIN	Personal Identification Number